

Educational; closed-circuit radio broadcasting system. A nonprofit organization that sets up closed-circuit radio transmitting equipment in multiple residence structures such as nursing homes, rest homes, and convalescent homes, providing senior citizens within the buildings an opportunity to listen to free, non-commercial and educational broadcasts concerning their special needs, is operated exclusively for charitable and educational purposes and qualifies for exemption under section 501(c)(3) of the Code.

'Advice has been requested whether the nonprofit organization described below, which otherwise qualifies for exemption from Federal income tax under section 501(c)(3) of the Internal Revenue Code of 1954, is operated exclusively for charitable and educational purposes.

'The organization was created to broadcast useful information and programs of special interest to senior citizens who are located in multiple residence structures such as nursing homes, rest homes, and convalescent homes. The organization sets up closed-circuit radio transmitting equipment in each building that participates. This allows the senior citizens within the building to tune in to the programs on their regular AM radio.

'The organization schedules daily programming from six o'clock in the morning until midnight. Its programs consist primarily of educational and general informational material. For example, the programs include information on employment opportunities for the elderly, social security benefits and procedures, financial management, availability of legal and health services, and transportation. The remainder of the broadcast time is devoted to music styled for the senior citizen.

'The organization charges no fees for its services or for the installation of the transmitting equipment. Its programming contains no commercial advertising. It receives its support in the form of grants from governmental units and charitable organizations as well as contributions from the general public.

'Section 501(c)(3) of the Code provides for the exemption from Federal income tax of organizations organized and operated exclusively for charitable and educational purposes.

'Section 1.501(c)(3)-1(d)(2) of the Income Tax Regulations states that the term 'charitable' is used in section 501(c)(3) of the Code in its generally accepted legal sense. Such term includes the relief of the poor and distressed or of the underprivileged. It is generally recognized that the aged, apart from considerations of financial distress alone, are also, as a class, highly susceptible to other forms of distress in the sense that they have special needs because of their advanced years. See Rev. Rul. 75-198, 1975-1 C.B. 157.

'Section 1.501(c)(3)-1(d)(3) of the regulations provides that the term 'educational' relates to the instruction of the public on subjects useful to the individual and beneficial to the community.

Organizations that broadcast free educational, cultural, and public interest programs in a non-commercial format have been held to be operated exclusively for educational purposes. See Rev. Rul. 76-4, 1976-1 C.B. 145.

'The instant organization is relieving the distress of aged persons by providing them with an opportunity to listen to free, non-commercial and educational radio broadcasts concerning their special needs such as employment, financial security, health and legal care, as well as cultural and recreational needs. Accordingly, the organization is operated exclusively for charitable and educational purposes and is exempt from Federal income tax under section 501(c)(3) of the Code.

'Even though an organization considers itself within the scope of this Revenue Ruling, it must file an application on Form 1023, Application for Recognition of Exemption, in order to be recognized by the Service as exempt under section 501(c)(3) of the Code. The application should be filed with the District Director of Internal Revenue for the District in which the principal place of business or principal office of the organization is located. See sections 1.501(a)-1 and 1.508-1(a) of the regulations.